

DD/A Registry
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23 JUN 1977

DDI Registry
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cc in DOJ

DDI-2473-77

ODP #1372-77

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director for Administration
General Counsel

FROM: Sayre Stevens
Deputy Director for Intelligence

SUBJECT: Solicited Proposal from TRW, Inc. (U/AIUO)

1. Action Requested: This memorandum requests your approval to accept and evaluate a solicited proposal we expect from TRW, Inc., as one of the many probable respondents to the Request for Proposal (RFP) for competitive design studies for the SAFE system. A decision on this issue is required as soon as possible since bids will be received 27 June 1977.

2. Background:

a. The SAFE project has now reached the stage where we are prepared to evaluate contractor proposals preparatory to contract award for competitive design studies. RFP's were sent to 30 potential bidders on 4 May 1977, including TRW, Inc. The solicitation date preceded your 24 May instructions, i.e., pending further decisions do not "open any bids to TRW. If bid dates are due, see me." We interpret this caveat to mean your approval is required to open the anticipated TRW bid on the SAFE system even though TRW, Inc., was invited to bid prior to your recent instructions.

b. This current action is based on the normal evaluation of an ongoing endeavor. A complete list of bidders for the RFP is attached. The proposals will be received and should be evaluated in the following time frame:

RFP Due Date	27 June 1977
Proposals Valid	120 days
Proposal Evaluation	28 June - 23 September 1977
Contract Award	23 - 30 September 1977

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SUBJECT: Solicited Proposal from TRW, Inc.

c. Proposals by two vendors will be selected for award under the SAFE RFP. It is anticipated that the value of each contract will be approximately \$750,000. Both contractors will develop and submit systems designs at which time one will be chosen for the system acquisition phase.

3. Staff Position:

a. Since we expect to receive a proposal from TRW, Inc., for SAFE design studies, we have considered the consequences of the following four alternative courses of action:

(1) Open all proposals except TRW, Inc. - No formal determination has been made that TRW, Inc., is not responsible and, therefore, no basis exists to discriminate against them. Such action would effectively eliminate the corporation without formal action being taken and would serve as a basis for protest.

(2) Open no proposals pending resolution of the TRW, Inc., security review. - The current evaluation schedule is predicated upon receipt of the proposals on 27 June and on contract award by 30 September using FY 1977 funds. The schedule is very tight and any delay would have a serious impact on the quality of the evaluation. Information concerning this action would probably become known to the marketplace and might result in the loss of confidence by the industry in the professionalism of Agency procurement practice. If a determination is made that TRW, Inc., or any other bidder is not "a responsible bidder" during the course of the evaluation, then the Agency will still be in a position not to award a contract to such a bidder at any time prior to the award date (circa 30 September 1977).

(3) Cancel solicitation and resolicit, excluding TRW, Inc. - This would have the same consequences as (1) above.

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(4) Cancel the solicitation. - The marketplace has been solicited on the assumption that a valid requirement exists and appropriate funding is available. An arbitrary cancellation will probably result in an indefensible protest. On the other hand, if it is determined that no valid requirement exists (based on the current reviews of the SAFE ADISS programs) solicitations can be cancelled without recourse by any of the bidders.

b. Based upon our evaluation, we find no basis for acceptance of any of the above options. Specifically, Alternative (1) and (3) would be tantamount to acting to the prejudice of a contractor and would in our opinion at minimum precipitate the issuance of a temporary restraining order seeking an injunction against the award of this contract and/or a protest to GAO. Alternative (4), although procedurally different, would have the same effect since cancellation of the solicitation after receipt of proposals while the program requirement still exists may subject the Agency to the cost expended by the contractors in the preparation of their responses. This would be a significant and needless expense.

c. The preferred course of action at this time is to proceed with the opening and evaluation of all proposals received including TRW, Inc., and to assure that any resultant award be made only to responsible contractors. It should be noted that prior to contract award, the contracting officer must issue a formal determination as to the responsibility of all prospective contractors. Accordingly, before award of any contract for SAFE design studies, the contracting officer will investigate the perseverance, integrity, and tenacity of all contractors within the competitive range and provide the formal determination required. Such a determination can be made concurrently with the evaluation of proposals and prior to award.

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4. Recommendation: It is recommended that any TRW, Inc., proposals received in response to the SAFE RFP be opened in accordance with normal procedures and evaluated in competition with proposals from other companies.

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[REDACTED]
Sayre Stevens

Att.

CONCURRENCES:

STATINTL

[REDACTED]
Deputy Director for Administration

23 June '77
Date

[REDACTED]
General Counsel

23 June '77
Date

*I agree with the recommendation but not with all the reasoning as to which I will give you a separate

paper.
APPROVED: [REDACTED]
Director of Central Intelligence

STATINTL

DISAPPROVED: [REDACTED]
Director of Central Intelligence

DATE: 8 JUL 1977

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Next 3 Page(s) In Document Exempt

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